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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

JOHN REYES and MIKE XAVIER,
individually and on behalf of similarly
situated individuals,

Plaintiffs,

vs.

AUTONATION, INC.,

Defendant.

) Case No. 5:25-cv-731

)

) **CLASS ACTION COMPLAINT**

)

) 1) **Violation of Cal. Penal Code §
631(a).**

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) 2) **Violation of Cal. Penal Code §
632(a).**

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DEMAND FOR JURY TRIAL

Plaintiffs John Reyes and Mike Xavier (“Plaintiffs”) bring this action on behalf of themselves, and all others similarly situated against Defendant AutoNation, Inc. (“Defendant” or “AutoNation”). Plaintiffs make the following allegations pursuant to the investigation of their counsel and based upon information and belief, except as to

1 the allegations specifically pertaining to themselves, which are based on personal
2 knowledge.

3 **NATURE OF THE ACTION**

4 1. This action concerns the illegal surveillance and recording, by Invoca, Inc.
5 (“Invoca”), of customer service calls placed to AutoNation, Inc. (“AutoNation”) in
6 violation of the California Invasion of Privacy Act (“CIPA”) §§ 631 and 632.

7 2. AutoNation employs a conversation intelligence software-as-a-service
8 provided by Invoca. This conversation intelligence service derives information
9 regarding the content of telephone conversations between AutoNation customers and
10 its call centers. Invoca’s service records AutoNation customers’ speech, transcribes it,
11 then feeds it into Invoca’s internal artificial intelligence (AI).

12 3. Once the data is classified by Invoca’s internal AI, such data is then
13 presented back to AutoNation in the form of dashboards, searchable transcripts, and
14 reports, sometimes in real-time to the customer service agents speaking with the
15 customer. AutoNation employs Invoca to perform such recordings and analysis for the
16 purpose of more effectively promoting their own products to current and potential
17 customers.

18 4. As such, Invoca monitors, reads, records, learns the contents of, or
19 otherwise intercepts the conversations between AutoNation’s contact centers and
20 AutoNation’s callers, including current and prospective consumers. Such callers
21 include individuals who call AutoNation customer service lines from California to,
22 among other things, retrieve and exchange information on AutoNation telephone
23 services, schedule in-person appointments, provide billing information, and receive
24 additional forms of AutoNation customer support.

25 5. Moreover, Invoca has the capability to use the contents of such recorded
26 conversations for its own purposes separate from providing a recording to AutoNation.

6. However, neither AutoNation nor Invoca procured the consent of any person who interacted with AutoNation's contact centers, prior to Invoca recording, accessing, reading, and learning the contents of their conversations.

7. Plaintiff brings this action to prevent Defendant from further violating the privacy rights of California residents, and to recover statutory damages from Defendant for failing to comply with the California Invasion of Privacy Act ("CIPA") §§ 631 and 632.

PARTIES

8. Plaintiff John Reyes resides in Menifee, California and has an intent to remain there, and is therefore a citizen of California. Mr. Reyes was in California when he called AutoNation's customer service line, in or around April 2022.

9. Plaintiff Mike Xavier resides in Roseville, California and has an intent to remain there, and is therefore a citizen of California. Mr. Xavier was in California when he called AutoNation's customer service line, in or around April 2021 and November 2023.

10. Defendant AutoNation, Inc. is a Delaware corporation with its principal place of business at 110 SE 6th Street, Fort Lauderdale, FL 33301. Defendant does business across the nation and operates AutoNation parts and dealership locations throughout California.¹ Defendant also directs the AutoNation call center operations, including AutoNation's implementation of the Invoca Services.²

JURISDICTION AND VENUE

11. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) because this is a class action where there are more than 100 members

¹ <https://www.autonationdrive.com/locations/index.htm>;

<https://www.autonationwholesaleparts.com/locations/>

² See, e.g., <https://www.invoca.com/customers/autonation> ("Providing a great customer experience is . . . why our sales managers constantly provide feedback to our agents. Invoca's call recordings and transcriptions are invaluable coaching tools." Anand Rao, SVP of Digital Business, AutoNation").

1 and the aggregate amount in controversy exceeds \$5,000,000.00, exclusive of interest,
2 fees, and costs, and at least one member of the putative Class is a citizen of a state
3 different from Defendant.

4 12. The Court has personal jurisdiction over Defendant because Defendant
5 has purposefully availed itself of the laws and benefits of doing business in California,
6 and Plaintiffs' claims arise out of Defendant's forum-related activities. Defendant
7 operates AutoNation parts and dealership locations throughout California and thus has
8 availed itself of the privilege of doing business in California. Additionally, Defendant's
9 customer service lines (and Invoca's recording thereof) are directly linked to
10 Defendant's physical operations in California, in that consumers call the customer
11 service center regarding the California AutoNation locations, meaning the conduct at
12 issue is directly related to Defendant's business in California.

13 13. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because a
14 substantial portion of the events giving rise to this action occurred in this District as
15 Plaintiff Reyes was unlawfully recorded by Invoca—as enabled by Defendant—in this
16 District.

17 **FACTUAL ALLEGATIONS**

18 **I. The California Invasion Of Privacy Act**

19 14. CIPA was enacted “to protect the right of privacy of the people of
20 [California].” Cal. Penal Code § 630. The California Legislature was concerned about
21 emergent technologies that allowed for “eavesdropping upon private
22 communications,” believing such technologies “created a serious threat to the free
23 exercise of personal liberties and cannot be tolerated in a free and civilized society.”
24 *Id.*

25 15. As part of CIPA, the California Legislature enacted § 631(a), which
26 prohibits any person or entity from [i] “intentionally tap[ping], or mak[ing] any
27 unauthorized connection ... with any telegraph or telephone wire,” [ii] “willfully and
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1 without the consent of all parties to the communication ... read[ing], or attempt[ing] to
 2 read, or to learn the contents or meaning of any ... communication while the same is
 3 in transit or passing over any wire, line, or cable, or is being sent from, or received at
 4 any place within [California],” or [iii] “us[ing], or attempt[ing] to use ... any
 5 information so obtained.”

6 16. CIPA § 631(a) also penalizes [iv] those who “aid[], agree[] with,
 7 employ[], or conspire[] with any person” who conducts the aforementioned
 8 wiretapping, or those who “permit” the wiretapping.

9 17. As part of the Invasion of Privacy Act, the California Legislature
 10 additionally introduced Penal Code § 632(a), which prohibits any person or entity from
 11 “intentionally and without the consent of all parties to a confidential communication,
 12 us[ing] an electronic amplifying or recording device to eavesdrop upon or record [a]
 13 confidential communication.”

14 18. Individuals may bring an action under CIPA §§ 631 and 632 for \$5,000
 15 per violation. Cal. Penal Code § 637.2(a)(1).

16 **II. Defendant’s Violations of CIPA**

17 **A. Overview of the Invoca Service**

18 19. Invoca uses artificial intelligence to “analyze phone conversations at scale
 19 and unlock insights.”³ Such insights include allowing Invoca’s customers to “measure
 20 call quality, intent, and outcomes, transforming conversations into actionable data. This
 21 data is crucial for optimizing marketing strategies, improving customer service, and
 22 driving revenue growth.”⁴

23 20. Invoca offers a broad suite of products aimed at call recording and
 24 transcription. One such product, Signal AI Studio, “uses Invoca’s advanced machine-
 25 learning technology to automatically analyze phone conversations.”⁵ Such analysis

27 ³ <https://www.invoca.com/product/call-tracking-analytics>.

28 ⁴ *Id.*

⁵ <https://www.invoca.com/product/signal-ai-studio>.

1 includes “if each caller was a lead, if they converted, and what product or service the[y]
2 called from.”⁶ Invoca’s customers are then able to use such data to “make smarter
3 marketing optimizations to drive more high-value phone leads at a lower cost” and
4 utilize the Invoca product suite to further “track contact center agent performance and
5 call handling across multi-location businesses, aiding in the coaching process.”⁷

6 21. Another product, Invoca’s Call Recordings and Transcriptions, provides
7 “a searchable database of every call recording and transcript.”⁸ Such transcription is
8 powered by generative AI LLMs (large language models) that turn call recordings into
9 text with, as Invoca brags, “unmatched precision” that “identifies and extracts words
10 and terms spoken on a call, storing it in Invoca as structured, actionable data.”⁹

11 22. Invoca effectively eavesdrop upon, records, extracts data from, and
12 analyzes conversations to which it is not a party. Invoca itself is collecting the content
13 of the conversations.

14 23. That data is then analyzed by Invoca before being provided to any entity
15 that was a party to the conversation. Indeed, Invoca has the capability to use the
16 contents of conversations it collects through its product offerings for its own purposes
17 and purposes beyond simply furnishing recordings to its customers. For example,
18 Invoca can perform comprehensive analysis on the content of the calls it eavesdrops
19 upon, including identifying the category of the speaker and determining the intent of
20 the call, hence why Invoca “stores calls and call transcripts for internal queries.”¹⁰

21 24. Invoca states in its Privacy Policy that it uses “Personal Data”—which
22 includes call information “including phone numbers and recordings”—to “improve,
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24

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26 ⁶ *Id.*

27 ⁷ *Id.*

28 ⁸ <https://www.invoca.com/product/call-recordings-and-transcriptions>.

⁹ <https://www.invoca.com/blog/signal-ai-launch>.

¹⁰ <https://www.invoca.com/data-privacy-security-compliance>.

1 operate, maintain, and, in some cases, market the Invoca Platform” and “conduct
2 internal research in order to enhance the Invoca Platform and Services.”¹¹

3 25. Thus, Invoca has the capability to use the wiretapped data it collects
4 through its product suite, namely the content of the phone calls it records, to operate,
5 maintain, improve, and market its products and services.

6 **B. AutoNation Intentionally Aids And Employs Invoca’s**
7 **Wiretapping of its Customers’ Calls**

8 26. AutoNation, America's largest and most recognized automotive retailer,¹²
9 is an Invoca customer that utilizes Invoca’s “marketing attribution, signal building, and
10 conversation analytics features.”¹³ Matteo Togni, a senior manager of digital product at
11 AutoNation, specifically utilizes Invoca’s “marketing attribution, signal building, and
12 conversation analytics features.”¹⁴

13 27. An Invoca press release revealed that “AutoNation uses Invoca data across
14 multiple departments,” and that AutoNation “[uses] AI Signals in their service center
15 scorecards and marketing optimization.”¹⁵ Moreover, that “[AutoNation’s]
16 participation in product Beta testing has been instrumental in strengthening Invoca's
17 solutions.”¹⁶

18 28. Specifically, “Invoca automatically records and transcribes each inbound
19 call, and AutoNation uses these insights to identify sales agents’ weaknesses and coach
20 them to improve their performance.”¹⁷ And “[AutoNation] feed[s] these recordings into
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23 ¹¹ <https://www.invoca.com/privacy-policy>.

24 ¹² [https://investors.autonation.com/news-and-events/press-releases/press-release-
25 details/2020/AutoNation-for-the-Third-Year-in-a-Row-is-Americas-1-Public-Automotive-Retailer-
According-to-Reputation.com/default.aspx](https://investors.autonation.com/news-and-events/press-releases/press-release-details/2020/AutoNation-for-the-Third-Year-in-a-Row-is-Americas-1-Public-Automotive-Retailer-According-to-Reputation.com/default.aspx)

26 ¹³ <https://www.youtube.com/watch?v=ohxPPYzRCQM> at 00:06.

27 ¹⁴ <https://www.invoca.com/blog/ci-hero-matteo-togni>

28 ¹⁵ [https://www.invoca.com/press-release/invoca-celebrates-2024-impact-award-winners-
showcasing-excellence-in-revenue-execution](https://www.invoca.com/press-release/invoca-celebrates-2024-impact-award-winners-showcasing-excellence-in-revenue-execution)

¹⁶ *Id.*

¹⁷ <https://www.invoca.com/customers/autonation>

1 their CRM to keep complete and accurate records of *every customer interaction*.”¹⁸
 2 AutoNation also uses Invoca automated call QA “to automatically scan every call for
 3 [] criteria . . . includ[ing] if the agent is greeting a caller correctly, if they’re asking
 4 them to set an appointment, if they’re mentioning a recent promotion, and more.”¹⁹
 5 Anand Rao, AutoNation’s SVP of Digital Business, also stated that AutoNation makes
 6 use of “Invoca’s call recordings and transcriptions . . . so we can understand how our
 7 customers think, what matters to them, and their sentiments.”²⁰

8 29. This granular level of analysis by Invoca provided unprecedented insight
 9 into the content of the calls into AutoNation’s customer service centers and allowed
 10 AutoNation to more effectively market and sell products. Thus, AutoNation aided,
 11 employed, agreed with, permitted, or otherwise enabled Invoca to read, learn, monitor,
 12 or otherwise intercept the content of communications between AutoNation and its
 13 customers.

14 30. During consumers’ calls, consumers reasonably expected that their
 15 conversations with AutoNation to be only between themselves and AutoNation.
 16 However, AutoNation and Invoca both fail to inform consumers, prior to any recording,
 17 that Invoca is listening in on and obtaining consumer’s information from their calls
 18 with AutoNation, and that the content of these communications with AutoNation are
 19 being recorded and analyzed by a third party. Consumers are also unaware that the third
 20 party, Invoca, is capable of using the recordings and analysis for its own purposes.

21 31. Neither AutoNation nor Invoca obtained consumer’s consent for the
 22 conduct at issue.

23 **III. Plaintiffs’ Experience**

24 32. Mr. Reyes has called AutoNation’s customer service line, including in or
 25 around April 2022, when he spoke with AutoNation regarding purchasing a car.

27 ¹⁸ *Id.* (emphasis added).

28 ¹⁹ *Id.*

²⁰ *Id.*

1 33. Mr. Xavier has called AutoNation's customer service line, including in or
2 around April 2021 and November 2023, and intermittently since September 2021,
3 when he spoke with AutoNation regarding car purchases, and to receive service on his
4 vehicles.

5 34. Both Plaintiffs disclosed personally identifiable or otherwise private
6 information while on the phone with AutoNation customer representatives, such as
7 their name, address, phone number, vehicle description, license plate, billing
8 information.

9 35. When speaking with AutoNation's contact center agents, Plaintiffs
10 reasonably expected their conversations would only be between themselves and the
11 AutoNation contact center agent, respectively. Plaintiffs did not expect or have any
12 reason to expect that Invoca, a third party, was listening in on their conversations.

13 36. Nonetheless, Invoca eavesdropped on Plaintiffs' entire conversations with
14 AutoNation's contact center agents. Invoca monitored, recorded, and transcribed
15 Plaintiff's conversations with AutoNation in real-time and performed AI analysis on
16 the content of the calls. This included capturing Plaintiffs' intent and/or reason for
17 calling, service interests, conversion outcome, and tracking the words and phrases they
18 said during the conversations. Through this process, Invoca read and learned, in real-
19 time, the contents of Plaintiffs' conversations with AutoNation.

20 37. Neither AutoNation nor Invoca informed Plaintiffs prior to recording that
21 Invoca was listening in on their phone calls with AutoNation, including that the content
22 of their phone calls with AutoNation are being recorded and analyzed by Invoca.
23 AutoNation and Invoca, therefore, failed to obtain Plaintiffs' consent for the conduct
24 at issue.

25 38. Plaintiffs did not have any knowledge about the Defendant's unlawful
26 actions at the time that they placed calls to AutoNation's contact center agents and had
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1 no reason to believe that the unlawful conduct at issue occurred until only shortly
2 before the filing of this Complaint.

3 39. Plaintiffs have, accordingly, had their privacy invaded and been exposed
4 to the risks and harmful conditions created by AutoNation's violations of CIPA alleged
5 herein.

6 **CLASS ALLEGATIONS**

7 40. Plaintiffs seek certification of the following class: All California residents
8 who called AutoNation's customer service line while in California and whose
9 conversations with AutoNation were intercepted and recorded by Invoca

10 41. Plaintiffs will fairly and adequately represent and protect the interests of
11 the other members of the Class. Plaintiffs have retained counsel with substantial
12 experience in prosecuting complex litigation and class actions. Plaintiffs and their
13 counsel are committed to vigorously prosecuting this action on behalf of the other
14 members of the Class, and have the financial resources to do so. Neither Plaintiffs nor
15 their counsel have any interest adverse to those of the other members of the Class.

16 42. Absent a class action, most members of the Class would find the cost of
17 litigating their claims to be prohibitive and would have no effective remedy. The class
18 treatment of common questions of law and fact is also superior to multiple individual
19 actions or piecemeal litigation in that it conserves the resources of the courts and the
20 litigants and promotes consistency and efficiency of adjudication.

21 43. Defendant has acted and failed to act on grounds generally applicable to
22 Plaintiffs and the other members of the Class, requiring the Court's imposition of
23 uniform relief to ensure compatible standards of conduct toward the members of the
24 Class, and making injunctive or corresponding declaratory relief appropriate for the
25 Class as a whole.

26 44. The factual and legal bases of Defendant's liability to Plaintiffs and to the
27 other members of the Class are the same, resulting in injury to Plaintiffs and to all of
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1 the other members of the Class. Plaintiffs and the other members of the Class have
2 all suffered harm and damages as a result of Defendant's unlawful and wrongful
3 conduct.

4 45. There are many questions of law and fact common to the claims of
5 Plaintiffs and the other members of the Class, and those questions predominate over
6 any questions that may affect individual members of the Class. Common questions
7 for the Class include, but are not limited to, the following:

- 8 (a) Whether Invoca recorded Plaintiffs' and the Class' phone calls with
9 Defendant;
- 10 (b) Whether Defendant and Invoca obtained valid consent to perform such
11 recording;
- 12 (c) Whether Defendant aided and abetted Invoca in recording Plaintiffs' and
13 the Class' phone calls with its customer service agents;
- 14 (d) Whether Invoca's service that was used to record Plaintiffs' and the Class'
15 phone calls with Defendant constitute an "electronic amplifying or
16 recording device";
- 17 (e) Whether Defendant's conduct constitutes a violation of Cal. Penal Code §
18 631(a);
- 19 (f) Whether Defendant's conduct constitutes a violation of Cal. Penal Code
20 § 632(a);
- 21 (g) Whether Plaintiffs and the Class are entitled to monetary and/or
22 restitutionary and/or injunctive relief or other remedies, and, if so, the
23 nature of such remedies.

FIRST CAUSE OF ACTION
Violation of the California Invasion of Privacy Act,
Cal. Penal Code § 631(a)
(On Behalf of Plaintiffs and the Class)

46. Plaintiffs repeat the allegations contained in the foregoing paragraphs as if fully set forth herein.

47. CIPA provides that a person is liable to another where, “by means of any machine, instrument, contrivance, or in any other manner,” they commit any of the following: (i) intentionally tap, or make any unauthorized connection, whether physically, electrically, acoustically, inductively or otherwise, with any telegraph or telephone wire, line, cable, or instrument, including the wire, cable, or instrument of any internal telephonic communication system; or (ii) willfully and without consent of all parties to the communication, or in any unauthorized manner, read or attempt to read or learn the contents or meaning of any message, report, or communication while the same is in transit or passing over any wire, line or cable or is being sent from or received at any place within this state; or (iii) use, or attempt to use, in any manner, or for any purpose, or to communicate in any way, any information so obtained; or (iv) aid, agree with, employ, or conspire with any person or persons to unlawfully do, or permit or cause to be done any of the acts or things mentioned above in this section. Cal. Pen. Code. § 631 (a).

48. Within the relevant time period, Plaintiffs and members of the Class called into Defendant’s customer service centers.

49. Defendant aided, agreed with, conspired with, and employed Invoca’s tracking tools and technology to accomplish the wrongful conduct at issue here.

50. Specifically, Defendant aided and conspired with Invoca, a tracking entity, to intercept its callers’ phone communications, which included personally

1 identifiable and sensitive information, and did so with knowledge that the callers' data
2 would be sent to Invoca.

3 51. Furthermore, as a result of Defendant contracting with and paying Invoca
4 for its call interception technology, Invoca has the ability to use the data it obtained
5 from Plaintiffs calls to Defendant for its own purposes totally unknown by Plaintiffs.

6 52. Plaintiffs and the other members of the Class did not authorize or consent
7 to the tracking, interception, and collection of any of their electronic communications
8 with Defendant.

9 53. Plaintiffs and the other members of the Class seek all relief available under
10 Cal. Pen. Code § 637.2, including injunctive relief and statutory damages of \$5,000.

11 **FIRST CAUSE OF ACTION**
12 **Violation of the California Invasion of Privacy Act,**
13 **Cal. Penal Code § 632(a)**
14 **(On Behalf of Plaintiffs and the Class)**

15 54. Plaintiffs repeat the allegations contained in the foregoing paragraphs as
16 if fully set forth herein.

17 55. CIPA § 632(a) prohibits an entity from “intentionally and without the
18 consent of all parties to a confidential communication, us[ing] an electronic amplifying
19 or recording device to eavesdrop upon or record the confidential communication,
20 whether the communication is carried on among the parties in the presence of one
21 another or by means of a telegraph, telephone, or other device, except a radio.” Cal.
22 Penal Code § 632(a).

23 56. Invoca's software is an “electronic amplifying or recording device”
24 because the software can record conversations and, in doing so, violates the rights of
25 at least one of the callers. *See Tate v. VITAS Healthcare Corp.*, 2025 WL 50447 (E.D.
26 Cal. Jan. 8, 2025).

27 57. At all relevant times, AutoNation intentionally used Invoca's product
28 suite to record the confidential communications between itself and Plaintiffs and the

1 other Class Members, which included personally identifiable and sensitive information
2 such as consumer financial related information (i.e., Plaintiffs' and the other Class
3 Members' methods of payment for car servicing and other related purchases).

4 58. When communicating with AutoNation, Plaintiffs and the other Class
5 Members had an objectively reasonable expectation of privacy. Plaintiffs and the other
6 Class Members did not expect that AutoNation would intentionally use an electronic
7 amplifying or recording device to record their confidential communications.

8 59. Plaintiffs and the other Class Members did not consent to AutoNation's
9 intentional use of an electronic amplifying or recording device to record their
10 confidential communications.

11 60. Pursuant to Cal. Penal Code § 637.2, Plaintiffs and the other Class
12 Members have been injured by the violations of CIPA § 632(a), and each seeks
13 statutory damages of \$5,000 for each of AutoNation's violations of CIPA § 632(a).

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiffs, individually and on behalf of all others similarly
16 situated, seeks judgment against Defendant, as follows:

- 17 (a) For an order certifying the Class, naming Plaintiffs as
18 Class Representatives, and naming Plaintiffs'
19 attorneys as Class Counsel to represent the Class;
- 20 (b) For an order declaring that Defendant's conduct
21 violates Cal. Penal Code § 631(a);
- 22 (c) For an order declaring that Defendant's conduct
23 violates Cal. Penal Code § 632(a);
- 24 (d) For actual, compensatory, statutory, and/or punitive in
25 amounts to be determined by the Court and/or jury;
- 26 (e) For prejudgment interest on all amounts awarded;
- 27 (f) For an order of restitution and all other forms of
28 equitable monetary relief;

- 1
- 2 (g) For injunctive relief as pleaded or as the Court may
- 3 deem proper; and
- 4 (h) For an order awarding Plaintiffs and the Class and
- 5 Subclass their reasonable attorneys' fees, expenses,
- 6 and costs of suit.

7 **JURY TRIAL DEMAND**

8 Plaintiffs demand a trial by jury on all causes of action and issues so triable.

9 Dated: March 20 2025

Respectfully Submitted,

10 By: /s/ Eugene Y. Turin

11 **McGuire Law, P.C.**

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